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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Publication 936 Draft Worksheet(s)

This draft worksheet from Publication 936, Home Mortgage Interest Deduction, for tax year 2006, is only available on the Internet. Since it is a draft, it is subject to change. If this worksheet is revised, it will be reposted only if there is a change in the computation. When the final version of Publication 936 becomes available, this draft will be removed.

Publication 936 discusses the rules for deducting home mortgage interest. Your home mortgage interest deduction is limited to the interest on the part of your home mortgage debt that is not more than your qualified loan limit. Table 1 is a worksheet you can use to figure your qualified loan limit and your deductible home mortgage interest.

Comments and suggestions. We welcome your comments about these worksheets.

You can write to us at the following address:

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We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

You can email us at **taxforms@irs.gov*. (The asterisk must be included in the address.) Please put "Publications Comment" on the subject line. Although we cannot respond individually to each email, we do appreciate your feedback and will consider your comments as we revise our tax products.

Table 1. Worksheet To Figure Your Qualified Loan Limit and Deductible Home Mortgage Interest For the Current Year

See the *Table 1 Instructions*.



Part I Qualified Loan Limit		
1. Enter the average balance of all your grandfathered debt. See line 1 instructions . . .	1.	
2. Enter the average balance of all your home acquisition debt. See line 2 instructions	2.	
3. Enter \$1,000,000 (\$500,000 if married filing separately)	3.	
4. Enter the larger of the amount on line 1 or the amount on line 3	4.	
5. Add the amounts on lines 1 and 2. Enter the total here	5.	
6. Enter the smaller of the amount on line 4 or the amount on line 5	6.	
7. Enter \$100,000 (\$50,000 if married filing separately). See the line 7 instructions for a limit that may apply	7.	
8. Add the amounts on lines 6 and 7. Enter the total. This is your qualified loan limit . .	8.	
Part II Deductible Home Mortgage Interest		
9. Enter the total of the average balances of all mortgages on all qualified homes. See line 9 instructions	9.	
<ul style="list-style-type: none"> • If line 8 is less than line 9, go on to line 10. • If line 8 is equal to or more than line 9, stop here. All of your interest on all the mortgages included on line 9 is deductible as home mortgage interest on Schedule A (Form 1040). 		
10. Enter the total amount of interest that you paid. See line 10 instructions	10.	
11. Divide the amount on line 8 by the amount on line 9. Enter the result as a decimal amount (rounded to three places)	11.	× .
12. Multiply the amount on line 10 by the decimal amount on line 11. Enter the result. This is your deductible home mortgage interest. Enter this amount on Schedule A (Form 1040)	12.	
13. Subtract the amount on line 12 from the amount on line 10. Enter the result. This is not home mortgage interest. See line 13 instructions	13.	